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PARTY RECOMMENDATIONS FOR DIRECTIVES ON
CZECHOSLOVAK SECOND FIVE-YEAR PLAN

[Comment: The following is the full text of an article published in Zahranicni Obchod (Foreign Trade), No 5, May 1956, issued by the Czechoslovak Ministry of Foreign Trade in Prague.]

The Central Committee of the KSC (Communist Party of Czechoslovakia) has published its recommendations for the directives for the preparation of the Second Five-Year Plan running from 1956 through 1960. These are to be considered in detail by the Czechoslovak public, including both KSC members and nonmembers. The recommendations, which are the result of many months of work by the State Planning Office, the ministries, the government, and the Politburo of the Central Committee of the KSC, and which are based on the practical experiences of plants, JZDs (unified agricultural cooperatives) and other agencies of the economy, will be considered and approved at the June [1956] conference of the KSC.

As stated in the introductory section of the recommendations, the basic tasks of socialist industrialization were achieved between 1949 and 1953 [First Five-Year Plan] by means of construction and reconstruction of industry and by means of the emphasis placed on the development of heavy industry. At the end of the First Five-Year Plan, Czechoslovakia was producing 2.3 times more than was produced before World War II. The engineering industry, whose development was one of the basic features and results of the First Five-Year Plan, was producing almost four times more than in the prewar years. The socialist construction and reconstruction of the national economy had a significant effect on all sectors of social life. The Czechoslovak economy developed without crisis and unemployment, features which had accompanied capitalism. The power of the working class increased while its technical and cultural level also improved. The importance of this class in society increased, and its alliance with the farmers was strengthened. Also, outstanding results were attained in overcoming the historical economic inequality of Slovakia and the Czech provinces.

During 1954 and 1955, attention was concentrated on elimination of the deficiencies which had developed as a result of lags in the development of the fuel, power, and raw materials base and in agricultural production. During the last 2 years the production of consumer goods was substantially increased. This, along with other successes in the national economy, permitted substantial increases in the population's personal consumption through systematic retail price reductions and increased wages and salaries of employees. Better results in agricultural production, and particularly reductions in compulsory delivery quotas, increased bulk-buying prices of a number of agricultural products, and substantial reductions in retail prices on industrial goods permitted a rapid increase in the real income of farmers.

The results achieved in economic and cultural development have permitted the formulation of the goals for the Second Five-Year Plan; these are stated in the recommendations as follows:

1. Completion of the development of the materials production base of socialism and achievement of the point at which the socialist system will also have a deciding position in the agricultural sector.
2. Guarantee of the rapid development of productive forces, thus contributing to achievement of primacy for the socialist world system through peaceful competition with capitalism.

3. Substantial improvement of the material and cultural living standard through higher real income and personal consumption, as well as through the gradual introduction of shorter work hours.

The achievement of these goals of the Second Five-Year Plan requires continued emphasis on the development of heavy industry, particularly its nucleus, heavy engineering. It also requires continued increases in labor productivity and strengthening of the defensive potential of the nation. Particular emphasis must be given to the more rapid development of the fuel and raw materials bases. The directives call for a substantial increase in agricultural production and in agricultural labor productivity. Among the primary tasks are the better and more effective discovery and exploitation of the natural wealth of Czechoslovakia and the continued industrialization of Slovakia.

Gross industrial production during the Second Five-Year Plan is to be increased by at least 50 percent. Of this increase, about 57 percent is to occur in the production of capital goods (Group A) and about 40 percent in production of consumer goods (Group B).

In comparison with [selected] pre-World War II and post-World War II years, production of the most important industrial items is to increase as follows:

Power (in billion kilowatt-hours) -- 1929, 3.0; 1932-36 (average), 2.9; 1937, 4.1; 1948, 7.5; 1953, 12.4; 1955, 15.1; and 1960, 25.3, a 68-percent increase over 1955 production.

Hard coal (kamenne uhli) (in million tons) -- 1929, 16.5; 1932-36 (average), 11.1; 1937, 16.7; 1948, 17.7; 1953, 20.3; 1955, 23.3; and 1960, 29.3, a 26-percent increase over 1955 production.

Brown coal (hnede uhli) and lignite (in million tons) -- 1929, 22.5; 1932-36 (average), 15.4; 1937, 18.0; 1948, 23.6; 1953, 34.4; 1955, 38.8; and 1960, 57.7, a 49-percent increase over 1955 production.

Crude iron (in million tons) -- 1929, 1.6; 1932-36 (average), 0.7; 1937, 1.7; 1948, 1.6; 1953, 1.6; 1955, 2.8; and 1960, 4.7, a 60-percent increase over 1955 production.

Raw steel (in million tons) -- 1929, 2.2; 1932-36 (average), 1.0; 1937, 2.3; 1948, 2.6; 1953, 4.4; 1955, 4.4; and 1960, 6.5, a 46-percent increase over 1955 production.

The directives call for a substantial increase in labor productivity and greater economy in industrial production. These tasks are to be achieved by more efficient utilization of new technology in all industrial sectors; maximum conservation of fuel, power, metal, raw materials, and construction materials, particularly lumber; better exploitation of production capacities; and the reduction of industrial production costs by a least 16 percent. Utilization of nuclear power for useful purposes is the basis for further development of the productive forces of the nation. During the Second Five-Year Plan conditions are to be created for broader peaceful utilization of nuclear energy during the Third Five-Year Plan. This will be carried out in close cooperation with the USSR and the people's democratic nations. For this purpose, an experimental nuclear power station with a capacity of at least 150 megawatts is to be put into operation.



In the fuel industry, production of coal in the Ostrava-Karvina, Most, and Sokolovo basins will be emphasized, and the fuel base of Slovakia will be expanded so that the mining of coal may satisfy the increasing requirements of the Czechoslovak national economy and that coke coal (koksovatelne uhli) may be supplied to the other people's democratic nations. Exploitation of the capacities of hard-coal mines will increase 8 percent, while that of brown-coal mines is to increase 8.6 percent. The production capacity of hard-coal, brown-coal, and lignite mines will be increased by 29.7 million tons. The capacity of coal finishing and grading plants is to increase by 16.7 million tons, and that of briquette plants by one million tons.

Construction of six new coke coal mines and four coal finishing plants will be started in the Ostrava-Karvina Basin. In the Most Basin (including the Chomutov area), construction of six new mines will begin, and the grading plant in Komorany will be completed. Construction of three new mines with a total capacity of 11.2 million tons, a grading plant with a capacity of 5 million tons, and two briquette plants with a [combined?] capacity of one million tons will begin in the Sokolovo Basin. In Ratiskovice, nine new mines will be opened, and four new lignite and brown-coal mines are to be opened in Slovakia. Progressive methods of coal mining and finishing are to be introduced. Production of coal gas and natural gas is to increase 29 percent.

As stated previously, power production will increase 68.5 percent, while the usable capacity of power plants will be increased by at least 75 percent. Through completion of construction on the thermal power plants in Porici, Tisov, and Komorany, and the Nosice, Skalka, Krpelany, and Sucany hydroelectric power plants, power production capacities are to be increased by at least 2,300 megawatts. Construction will start on thermal power plants with a 300 megawatt capacity in the Pardubice and Melnik areas and on the Lipovec and Madunice hydroelectric power plants. Construction of the "Orlik" hydraulic project will continue, and its first equipment will be put into operation in 1961. Construction of the Hricov Miksova Povazska Bystrica cascades (kaskady) on the Vah River will be gradually developed, as will construction of the Kamyk and Ruzin hydraulic projects. By 1959 at the latest, construction of the hydraulic project on the Danube River will begin.

The directives call for a rapid increase in the production of crude iron, steel (particularly refined steel), and rolled goods. Mining of iron ore will increase from 2.4 million tons in 1955 to 3.6 million tons in 1960. Also, six new rolling mills with a total capacity of 1.3 million tons and one pipe mill with a capacity of 70,000 tons are to be built and put into operation. In addition, construction is to begin on a continuous sheet metal rolling mill, a nail and wire drawing mill, and a plant for production of cold-rolled strips. The nonferrous metals industry is to increase mining and production of copper, lead, and zinc concentrates by 50 percent. Construction of the Slovak National Uprising Plant (Zavod Slovenskeho narodniho povstani) in Ziar nad Hronem is to be completed, and equipment for the production of aluminum oxide is to be put into operation so that after 1958 [Czechoslovakia's own?] requirements may be covered. Production of aluminum is to double, while production of primary aluminum is to increase by 125 percent and reach 56,000 tons.

The engineering industry, which will be developed as the most important industrial sector, is to increase production of machinery and equipment by 83 percent. [Planned] production of selected engineering products in 1960 compares with 1955 production as follows:



| <u>Product</u> | <u>1955</u> | <u>1960</u> | <u>Increase</u> |
|---|-------------|-------------|-----------------|
| Electric motors for direct and alternating current (in megawatts) | 1,314 | 2,300 | 75% |
| Gasoline engines (in number of items) | 799 | 1,260 | 58% |
| Equipment for the chemical industry (in 1,000 tons) | 20 | 75 | 158% |
| Rolling mill equipment (in 1,000 tons) | 15.5 | 41 | 165% |
| [Diesel?] engine locomotives (in number of items) | 218 | 870 | 4 times |
| Electric locomotives (in number of items) | 33 | 270 | 8.2 times |
| Cement plant equipment (in 1,000 tons) | 11.1 | 22 | 197% |
| Metal-cutting tools (in 1,000 items) | 15.7 | 27.3 | 74% |
| Special and specialized turret lathes | 138 | 1,000 | 7.2 times |
| Automatic and semiautomatic [metal-cutting tools?] (in number of items) | 282 | 1,350 | 4.8 times |
| Metal-forming tools | | | |
| In number of items | 4,970 | 6,800 | 37% |
| In tons | 16,490 | 34,800 | 111% |
| Equipment for the textile industry (in million crowns value) | 56 | 270 | 4.8 times |
| Equipment for the food industry (in million crowns value) | 131 | 380 | 2.9 times |
| Trucks (in number of items) | 10,530 | 15,800 | 50% |
| Automobiles (in number of items) | 12,500 | 55,000 | 4.4 times |
| Roller bearings (in million items) | 14.25 | 28.5 | 2.0 times |
| Tractors (in number of items) | 12,300 | 28,300 | 2.3 times |
| Agricultural implements (in million crowns value) | 545 | 970 | 78% |
| Beet combines (in number of items) | 705 | 1,900 | 2.7 times |
| Control, optical, laboratory, and electrical measuring instruments; office supplies; and medical and dental equipment (in million crowns value) | 663 | 1,327 | 2.0 times |
| Motorcycles, motor bicycles, and [motor] scooters (in 1,000 items) | 102 | 325 | 3.2 times |

| <u>Product</u> | <u>1955</u> | <u>1960</u> | <u>Increase</u> |
|--|-------------|-------------|-----------------|
| Sewing machines (in 1,000 items) | 79 | 110 | 40% |
| Vacuum cleaners (in 1,000 items) | 122 | 220 | 80% |
| Cameras (in 1,000 items) | 145 | 245 | 69% |
| Television sets (in 1,000 items) | 17.2 | 220 | 12.8 times |
| Household refrigerators (in 1,000 items) | 30 | 130 | 4.3 times |
| Home washing machines (in 1,000 items) | 204 | 280 | 37% |

During the Second Five-Year Plan the development of heavy engineering will be emphasized in the engineering sector. Particular attention will be devoted to the production of complex and highly technological machinery and equipment for the development of the basic branches of [Czechoslovak] industry, and for [the production of] machinery and equipment for complete industrial plants, to be exported.

In accordance with the international division of labor [sic] between the people's democratic nations, Czechoslovakia will particularly develop the following branches of heavy engineering: production of power equipment for hydro-electric and thermal electric power plants, for heavy current electrical engineering, and for a machinery for engineering; equipment for the metallurgical industry, mines, and the chemical, construction, and food industries; production of construction and highway machinery, railroad equipment, and hoisting and transportation equipment; building of ships; production of turbocompressors, heavy piston compressors, and pumps; and production of machinery and equipment for the light industry.

The recommendations for the directives state that during the Second Five-Year Plan attention is to be concentrated on the following fields: weak current industry; and production of instruments, large-series and mass production of 7- and 12-ton trucks, V3S trucks, automobiles with approximately one-liter cylinder capacity (essentially their production should be so prepared that after 1960 it will be possible to produce 90,000-100,000 people's automobiles annually), tractors, agricultural implements, roller bearings, and new high-quality metal consumer goods.

The development of the chemical industry, and important basis for the technological progress of the entire national economy, will be accelerated, and the development of heavy basic chemistry will be emphasized.

Production of basic products of the chemical industry will increase during the Second Five-Year Plan as shown by the following data for 1955 and 1960:

| <u>Product</u> | <u>1955</u> | <u>1960</u> | <u>Increase</u> |
|--|-------------|-------------|-----------------|
| Fuels (in million tons) | 0.8 | 1.7 | 110% |
| Sulfuric acid (in 1,000 tons) | 384 | 560.0 | 46% |
| Nitrogen fertilizers (in 1,000 tons of nitrogen) | 60.5 | 141.0 | 133% |
| Phosphate fertilizers (in 1,000 tons of P_2O_5) | 98.5 | 156.5 | 59% |



| <u>Product</u> | <u>1955</u> | <u>1960</u> | <u>Increase</u> |
|--|-------------|-------------|-----------------|
| Polyvinylchloride (in 1,000 tons) | 3 | 9.0 | 3 times |
| Synthetic and regenerated fibers (in 1,000 tons) | 49 | 65.6 | 36% |
| Synthetic fibers (in 1,000 tons) | 0.9 | 3.2 | 3.5 times |
| Paper (in 1,000 tons) | 345 | 437 | 27% |

The rapid and economical construction of plants for the production of synthetic india rubber is one of the most important tasks assigned by the directives for the Second Five-Year Plan. Construction of a plant for production of heavy water and uranium will begin. Production of dyes and processing supplies for the textile industry will be increased, their quality will be improved, and their variety expanded.

In the construction materials industry, production of materials which will permit the industrialization of the construction sector will be primarily emphasized. This will particularly include light construction materials, special mortars, unfired masonry materials, and other products. Production of basic products in 1955 and planned 1960 production are as follows:

| <u>Product</u> | <u>1955</u> | <u>1960</u> | <u>Increase</u> |
|---|-------------|-------------|-----------------|
| Cement (in 1,000 tons) | 2,900 | 4,520 | 56% |
| Lime (in 1,000 tons) | 1,545 | 2,256 | 46% |
| Fired roofing tile (in million sq m) | 8.15 | 17.10 | 2.1 times |
| Bricks (in million brick units) | 1,670 | 2,724 | 63% |
| Construction panels, total (in 1,000 cu m) | 465 | 1,530 | 3.3 times |
| Flat glass (in million sq m) | 21 | 26.5 | 26% |
| Ceramics for medical equipment (in 1,000 tons) | 7.2 | 10.2 | 41% |

Plants with [annual?] capacities of 1,414,000 tons of cement, 390,000 tons of lime, 850,000 square meters of building panels, 850,000 prestressed concrete railroad ties, 130,000 [prestressed utility?] poles, and 2,330,000 square meters of [structural] facing materials will be placed into operation [during the Second Five-Year Plan].

The woodworking and paper industries will make the consumption of timber more economical and will expand production of materials to replace wood. This will be accomplished primarily through expansion of the industrial processing of wood waste. Continuous operation will be instituted in all paper mills, primarily in those where paper manufacture is combined with cellulose production. Also, production of high-quality paper for the photographic industry is to be mastered.

During the Second Five-Year Plan, the light industry is to ensure the constant satisfaction of consumer demands through adequate production of a wide variety of high-quality consumer items. This goal is to be achieved primarily through better processing of raw materials and more efficient finishing.

Figures for 1955 and 1960 and the increase in the production of important products by light industry and the food industry are given in the following table.

| <u>Product</u> | <u>1955</u> | <u>1960</u> | <u>Increase (%)</u> |
|--|-------------|-------------|---------------------|
| Cotton fabrics (in million m) | 340 | 439 | 29 |
| Silk fabrics (in million m) | 51 | 60.6 | 19 |
| Linen and semilinen fabrics (in million m) | 55.2 | 65.7 | 19 |
| Woolen fabrics (in million m) | 39.4 | 47.2 | 20 |
| Knitted underwear (in million items) | 32.9 | 42.1 | 28 |
| Knitted outer garments (in million items) | 31.4 | 44.6 | 42 |
| Footwear (in million pr) | 62.9 | 76.1 | 21 |
| Meat (in 1,000 tons) | 344 | 457.5 | 33 |
| Raw lard (in 1,000 tons) | 43.3 | 57.5 | 33 |
| Milk for drinking (in million liters) | 863 | 1,024 | 19 |
| Butter (in 1,000 tons) | 43.2 | 69.7 | 61 |
| Edible vegetable fats (in 1,000 tons) | 91.1 | 116.5 | 28 |
| Soap (in 1,000 tons) | 40.2 | 55.5 | 38 |
| Sugar (in 1,000 tons) | 656 | 991.8 | 51 |

The level of industrial production in 1955 [sic] was computed on the basis of the percentage increase shown in the cases of individual products.

Among the tasks of light industry is the achievement of world primacy in the production of glass. This is to be accomplished primarily through greater creativeness and better design of products, improvement of the quality of refined glass, and substantial shortening of the period of delivery.

In agriculture, the primary task of the Second Five-Year Plan is the systematic assurance of the material, organizational, and political conditions required for strengthening and developing the socialist agricultural program so that, along with continual increases in agricultural production, JZDs and state farms may operate a controlling majority [of the nation's agricultural land.] The total volume of agricultural production is to increase by approximately 30 percent, with a more rapid increase in livestock production. Production of the main agricultural products is to increase as follows (in percent): cereal grains, 22; [livestock] feed grains, 40, including corn, 126; sugar beets, 11; oleaginous crops, 24; potatoes, 32; hops, 21; slaughter cattle, 38; slaughter hogs, 35; milk, 46; eggs, 21; and wool, 36.

The mechanization of agriculture will be further increased with the delivery of 36,300 tractors, 8,300 grain combines, 7,100 potato combines, 3,900 beet combines, 3,400 corn combines, 5,800 silage combines and 400 hop combines.

The directives demand that the forestry sector devote greater attention to the nation's timber wealth and increase the production capacity of the forests, as well as enhance their water, economic, and climatic functions, which are now being hampered by excessive timber cutting. The cutting of timber is to be gradually reduced so that in 1960 it will be 20 percent lower than in 1955. [During the Second Five-Year Plan] 45,000 hectares of land are to be afforested.

The technical bases of the transportation sector are to be further modernized and expanded, the operations of all branches of the sector are to be substantially improved, and safety measures are to receive greater emphasis. The volume of transportation (other than plant transportation), is to increase by 44 percent (in tons). The assurance of rail transportation of coal from the North-Bohemian and Sokolovo Brown Coal Basins must be regarded as an extraordinarily important task. The volume of rail transportation of freight is to increase by 35 percent (in ton-kilometers), and 750 more kilometers of railroad lines are to be electrified. Some 440 diesel locomotives with capacities of up to 1,200 horsepower, 2,100 modern passenger coaches, and 36,000 freight cars are to be added. The volume of highway transportation is to increase 23-25 percent (in ton-kilometers), and that of water transportation is to increase 25 percent. Airline transportation of passengers is to increase 13 percent, and air transportation of freight and mail is to increase 66 percent.

The total volume of investments in the period 1956-1960 was set at 152.6 billion crowns (in terms of prices in effect on 1 July 1955). This is 61.5 percent more than in the period 1951-1955, when 94.4 billion crowns was invested. The major task of investment construction is the development of the fuel, power, and raw materials base, and of agriculture.

Along with the increase in production, the number of workers in the national economy is to increase 7.9 percent. In the distribution of manpower, the primary task is the guarantee of an adequate labor force for mines and the construction enterprises.

The national income is to increase by at least 48 percent, and the real wages of workers and employees are to increase by about 30 percent.

The continued industrialization of Slovakia is ensured by an increase of at least 61.5 percent in industrial production [in Slovakia?]. Industrial production in the main sectors is to increase as follows; metallurgy, 53.6 percent; chemical industry, 89 percent; light industry, 37 percent; food industry, 49.5 percent; and engineering, 2 times.

Particular attention will be devoted to the development of Slovakia's power, fuel, and raw-materials bases, which will provide the prerequisites for further industrial development.

The party's recommendations conclude as follows: "The Czechoslovak people have adequate prerequisites for the fulfillment of the Second Five-Year Plan. Fraternal cooperation with the USSR and the people's democratic nations has reached a new high point, specifically in regard to the coordination of the basic aspects of national economic plans, and this cooperation will be intensified. Czechoslovakia is developing peaceful contacts with all nations which desire to trade on the basis of mutual convenience, and these contacts will continue to be expanded.



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"The Czechoslovak people, armed with the experiences gained in the building of socialism thus far, and strengthened by the new experiences from the 20th Congress of the CPSU and by the prospects of peaceful development, will fulfill the tasks of the Second Five-Year Plan and will exert all their energy for the final victory of Communism in our nation."

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